SINCAP GROUP LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 201005161G)

RESPONSES TO SGX-ST QUERIES

The Board of Directors (the "**Board**") of Sincap Group Limited (the "**Company**" and together with its subsidiaries, collectively the "**Group**") would like to respond to the queries raised by the SGX-ST in an email to Stamford Corporate Services Pte. Ltd., the Company's Sponsor, on 23 November 2022 (as set out below).

In reviewing the responses below, Shareholders may wish to refer to the Company's announcements dated 29 July 2022, 12 August 2022, 12 September 2022 and 21 September 2022 for further context and background.

*Unless otherwise expressly defined herein, all capitalised terms and references used in this announcement shall have the meanings ascribed to them in the Company's announcement dated 21 September 2022 (the "**Corporate Update Announcement**").*

A. SGX-ST's Queries and the Company's Response:

SGX-ST's Query 1:
Please provide updates (with timeline) on the outstanding FY2020 and FY2021 Audit and AGM.
Company's Response to Query 1:
*The Company would like to update that the Company's external auditor, Baker Tilly TFW LLP (the "**Auditor**") have commenced the post-balance events review as part of the FY2020 Audit in early October and the review has since been substantially completed. Arising from which, the Company has prepared a draft announcement containing details of the "Material Variances Between Unaudited Financial Statements and Audited Financial Statements for the Financial Year Ended 31 December 2020" (the "**FY2020 Material Variances**") which the Company expects to be able to release via SGXNET pursuant to Catalist Rule 704(5) on or before 15 December 2022. The Company would also like to update that the management have adopted certain material adjustments and reclassifications identified by the Auditor, to the unaudited consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows for FY2020 (which was mentioned in the Corporate Update Announcement), following the review of the post-balance sheet events for FY2020.* *Whilst the post-balance sheet events review for FY2020 has substantially been completed, the review has taken a much longer time than expected due to significant changes in the operating environment of the Group since the announcement of its un-audited results on 1 March 2021 and an exceptionally long post balance sheet events review period for FY2020 of at least 22 months for finalization of the FY2020 Audit.* *The key issues of the FY2020 Audit include, among others, the re-assessment (i) of value-in-use of the Company's key subsidiary being a cash-generating unit (the "**CGU**"), (ii) the status of its non-performing receivables, and (iii) going concern assumptions.*

As previously announced on 12 August 2022, the Group's coal trading business has faced significant headwinds such as high freight costs and supply chain disruptions which have resulted in severe cashflow issues. The Group also faced operational issues amidst market volatility and uncertainty. As a result, the subsidiary's coal trading business has since been discontinued with significant non-performing receivables. Under such circumstances, a revised discounted cash flow projection for the purposes of reassessment of value-in-use of the CGU provided an indicator that the Group's goodwill is subject to potential impairment as at 31 December 2020. The post-balance sheet events review covers a period of at least 22 months, and the review led to the re-assessment of goodwill impairment, the status of the Groups' existing non-performing trade receivables and going concern assumptions, among others.

Notwithstanding the above, the Company wishes to update that it is committed to following expected timeline, barring unforeseen circumstances:

Key Events	***Expected Timeline***
Announcement of FY2020 Material Variances pursuant to Catalist Rule 704(5)	*On or before 15 December 2022*
Publication of FY2020 annual report	*On or before 21 December 2022*
FY2020 AGM, including notice period of at least 21 clear days to adopt special resolution (as applicable)	*On or before 15 January 2023*

The revised timeline for the matters key events set out above (since the proposed timeline set out in the Corporate Update Announcement) is mainly due to the longer-than-expected time for post-balance sheet events review for FY2020 (as explained above). The Company will provide an updated detailed timeline of key events for the completion of the FY2021 Audit and conduct of FY2021 AGM after the notice of the FY2020 AGM is published.

SGX-ST's Query 2:

Please provide status on the Company's search for new independent directors, in relation to compliance with Catalist Rule 704(7).

Company's Response to Query 2:

Since the demise of the Company's lead independent director on 16 October 2022, the Board and its nominating committee have endeavored to search for a suitable independent director to be appointed to fill the vacancy and ensure compliance with applicable laws, the provisions of the Code of Corporate Governance issued in August 2018 and the Catalist Rules.

In the meantime, the Board has taken into account the Group's existing limited resources in its search of an additional independent director. Further, the Board is in the midst of finalising the Proposed Reorganisation and evaluating the Potential RTO and is of the view that the potential independent director should carry the relevant skills and competencies to provide constructive input to these corporate actions which are of paramount importance to the Company at this juncture.

The Board is aware that it is required to appoint an additional independent director under Catalist Rule 704(7), and is cognizant of the three (3) month timeline under Catalist Rule 704(7). In any event, the Board will take into account the considerations in the above and the progress of the abovementioned corporate actions while searching for such suitable independent director candidate.

SGX-ST's Query 3:

On 12 Aug 2022, the Company announced a proposed investment of up to S$2m into the Company from Mr Teh including identifying potential RTO Targets.

Please provide updates on the proposed investment and RTO targets, including the Company's plans to comply with Rule 1017(2) as RegCo has yet to receive extension of time application from the Company.

Please provide reasons for the delay.

Company's Response to Query 3:

*As announced by the Company in the Corporate Update Announcement, the Company intends to initiate the Proposed Reorganisation, involving certain commercial structures (which could lead to de-consolidation of the existing key subsidiaries from the Group) and plans to further streamline the existing corporate structures, to pave the way for the Potential RTO should the Proposed Reorganisation be successfully implemented. In this regard and in preparation for the Potential RTO, the Company has appointed SAC Capital to seek pre-clearance from the SGX-ST for the Proposed Reorganisation in relation to its legacy operations and its existing non-compliance of certain Catalist Rules (the "**Pre-clearance**"). The Company would like to update that the Professional Investor and SAC Capital have held several meetings since September 2022 to discuss about the commercial structures for the Proposed Reorganisation. As the Pre-clearance will include certain details which are related to the post-balance sheet events review for FY2020, the Pre-clearance can only be submitted after the release of the announcement on FY2020 Material Variances pursuant to Catalist Rule 704(5), which is expected to be released on or before 15 December 2022.*

One of the key conditions precedent to completion of the proposed investment by Mr. Teh, the Professional Investor, is the completion of financial, legal, tax and other due diligence on the Company such that the Professional Investor is reasonably satisfied that the Company could implement new investment strategies without lingering effects of the Company's legacy operations and existing non-compliance of certain Catalist Rules. The status of the Proposed Reorganisation (being the subject matter of the Pre-clearance) would allow the company to "implement new investment strategies without lingering effects of the Company's legacy operations and existing breaches of the Catalist Rules", and is therefore a necessary pre-requisite to the key condition precedent being fulfilled.

Given the abovementioned, the Company intends to submit the Pre-clearance by end December 2022, barring unforeseen circumstances, and will update the shareholders on the outcomes of the Pre-clearance accordingly. The Company will only be able to proceed with the Potential RTO in the event that it is able to proceed with the implementation of the Proposed Reorganisation, as reasonably required by the Professional Investor.

As disclosed in Corporate Update Announcement, in view of the Proposed Reorganisation and the Pre-clearance, the Company intends to submit an application to the SGX-ST for an extension of time to (i) meet the requirements for a new listing within 12 months from the time it became a cash company, as required under Catalist Rule 1017(2); and (ii) submit a proposal to resume trading in its shares, as required under Catalist Rule 1304, once the SGX-ST provides clearance on the subject matter to be set out in the Pre-clearance.

Please also refer to the Company's Response to Query 1 above for the reasons for the delay in completion of the FY2020 Audit and the conduct of AGM for FY2020, which have also affected the originally planned timeline for submission of the Pre-clearance and the Potential RTO.

B. Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts in respect of the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a name source, the sole responsibility of the Directors has been to ensure that such information has been accurately and properly extracted from those sources and/or reproduced in this announcement in its proper form and context.

The Board wishes to advise shareholders and potential investors to exercise caution when dealing in the shares of the Company, In the event of any doubt, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board
SINCAP GROUP LIMITED

CHU MING KIN
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER
25 NOVEMBER 2022

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Mr Bernard Lui, Telephone: +65 6389 3000, Email: bernard.lui@morganlewis.com.